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Colorado FSA eNewsletter

USDA Farm Service Agency- Colorado

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State Committee;

Armando Valdez, Chairman Marsha Daughenbaugh Anita Nein Bill Warren James Hume

Next State Committee Meeting: March 21-22

USDA Makes it Easier to Transfer Land to the Next Generation of Farmers and Ranchers

Allows for Transfer of Certain Conservation Reserve Program Land to New Farmers; Provides Priority Enrollment in Working Lands Conservation Programs

Beginning Jan. 9, 2017, the U.S. Department of Agriculture (USDA) will offer an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.

This change to the CRP program is just one of many that USDA has implemented based on recommendations from the Land Tenure Advisory Subcommittee formed by Agriculture Secretary Tom Vilsack in 2015.

Normally if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible

Online directory of FSA Offices

Reasonable Accommodations:

People with disabilities who require accommodations to participate in FSA programs should contact the County Executive Director in the FSA Office in your area or Federal Relay Service at 1-800-877-8339. Alternatively, you may also contact Colorado FSA Civil Rights Coordinator Patti Finke at (720) 544-2889 or patti.finke@co.usda.gov

for priority enrollment consideration into the CRP Grasslands, if eligible; or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. Details on the early termination opportunity will be available starting on Jan. 9, 2017, at local USDA service centers. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at www.fsa.usda.gov/crp. To locate your local FSA office, visit http://offices.usda.gov.

Organic Producers and Handlers May Apply for Certification Cost Share Reimbursements; Expanded Eligibility for Transition and State Certification Cost

The U.S. Department of Agriculture (USDA) today announced that starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states that want to continue to directly administer the programs, applications will be due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a <u>USDA-accredited certifying</u> agent. Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope—crops, livestock, wild crops and handling. Today's announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit www.fsa.usda.gov/organic or contact a local FSA office by visiting http://offices.usda.gov.

USDA Resumes Incentives to Grow the Bioeconomy and Improve Forest Health

USDA announced that \$1.5 million will be available in fiscal year 2017 for farmers and foresters who harvest and deliver biomass for renewable energy. The funds are from the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill.

In fiscal year 2017, there is \$3 million total available for BCAP, half of which is for harvesting and delivering forest or agricultural residues to a USDA-approved energy facility. BCAP also provides financial assistance to farmers and ranchers who establish and maintain new crops of biomass for energy or biobased products; additional information on the resumption of those funds will be announced at a later date.

Facilities seeking to be qualified by USDA to accept BCAP-funded biomass can begin enrollment Nov. 14 through Dec. 5, 2016. Also, between Jan. 9, 2017, through March 15, 2017, USDA will accept applications from foresters and farmers seeking incentives to remove biomass residues from fields or national forests for delivery to energy generation facilities. The retrieval payments are provided at match of \$1 for \$1, up to \$20 per dry ton. Eligible crops include corn residue, orchard waste or diseased or insect-infested wood materials.

To learn more about BCAP or to enroll in updates, visit www.fsa.usda.gov/bcap or contact your local FSA county office. To find your local county office, visit http://offices.usda.gov.

USDA Encourages Producers to Consider Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, Underserved and Limited Resource Farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Centers go to https://offices.usda.gov/nap or contact your local USDA Service Centers go to https://offices.usda.gov/nap or contact your local USDA Service Centers go to https://offices.usda.gov/nap or contact your local USDA Service Centers go to https://offices.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#. Producers can use the USDA Cost Estimator, https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx, to predict insurance premium costs.

USDA Announces \$210 Million to be Invested in Renewable Energy Infrastructure through the Biofuel Infrastructure Partnership

21 States and Private Partners Match Federal Funds to Expand Infrastructure and Increase Fuel Options for Consumers

USDA is partnering with 21 states through the Biofuel Infrastructure Partnership (BIP) to nearly double the number of fueling pumps nationwide that supply renewable fuels to American motorists. In May 2015, USDA announced the availability of \$100 million in grants through the BIP, and that to apply states and private partners match the federal funding by a 1:1 ratio. USDA received applications requesting over \$130 million, outpacing the \$100 million that is available. With the matching commitments by state and private entities, the BIP is investing a total of \$210 million to strengthen the rural economy.

The 21 states participating in the BIP include Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Minnesota, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Pennsylvania, South Dakota, Texas, Virginia, West Virginia, and Wisconsin. The amount awarded to each state is available at: www.fsa.usda.gov/programs-aud-services/energy-programs/bip/index. The final awards being announced today are estimated to expand infrastructure by nearly 5,000 pumps at over 1,400 fueling stations.

A typical gas pump delivers fuel with 10 percent ethanol, which limits the amount of renewable energy that consumers can purchase. The new partnership will increase the number of pumps, storage and related infrastructure that offer higher blends of ethanol, such as E15, E85, and even intermediate combination blends.

USDA's Office of the Chief Economist just released a comprehensive report on ethanol. The report, titled U.S. Ethanol: An Examination of Policy, Production, Use, Distribution, and Market Interactions, brings clarity to the complex interaction of ethanol production with agricultural markets and government policies. The corn ethanol industry is the largest biofuel producer in the country, with production increasing from about 1.6 billion gallons in 2000 to just over 14 billion gallons in 2014, stimulating economic activity in rural communities. Visit www.usda.gov/oce/reports/energy/EthanolExamination102015.pdf to read the complete report.

BIP is administered by the USDA Farm Service Agency. For more information, visit www.fsa.usda.gov/programs-and-services/energy-programs/index.

Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- · name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- · list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit

USDA Climate Hub 'Energy Generation and Efficiency' Building Block

Through the Agricultural Act of 2014, USDA has several authorities that encourage the adoption of renewable energy and energy efficiency technologies. The Energy Generation and Efficiency Building Block supports energy efficiency improvements in rural homes and on farm operations, for example, through EQIP's National On-Farm Energy Initiative. This Building Block also provides opportunities to reduce Greenhouse Gas (GHG) emissions from energy generation and use, for example, through the Rural Energy for America Program. To learn more about energy generation and efficiency opportunities from USDA click the following link:

http://www.usda.gov/oce/climate_change/building_blocks/10_EnergyGenerationEfficiency.pdf

For more information about the USDA Climate Hubs click here: http://www.climatehubs.oce.usda.gov/.

USDA's Farm Service Agency Expands Bridges to Opportunity Nationwide

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) today announced the expansion of a unique service for farmers and ranchers. FSA's Bridges to Opportunity program provides a one-stop-shop that connects producers with resources, programs and educational services offered across the department, as well as from other USDA partner organizations. Bridges to Opportunity, which currently provides enhanced customer support to more than 150,000 customers in 20 states, will expand to serve customers across the country before the end of the month using fiscal year 2016 funds.

FSA's presence in over 2,100 county offices, in nearly every rural county, puts the agency in a unique position to partner with non-governmental organizations to reach thousands of agricultural producers who can benefit from the programs and services. Bridges to Opportunity allows FSA employees to search and obtain a list of all local, state, regional and national organizations that may be able to assist local producers with their specific need. For example, FSA's Houston County office in Texas partnered with many agricultural organizations to serve producers affected by severe drought. When drought-stricken agricultural producers came to the county office looking for assistance, FSA employees were able to provide traditional services, such as the Livestock Forage Program and the Emergency Loan Program administered by FSA, as well as connect local farmers with local, regional, and national organizations that provide drought assistance and education.

Bridges to Opportunity was developed by FSA to provide producers with a more comprehensive customer service experience by connecting them with other USDA agencies and nonfederal partners. Through Bridges to Opportunity, FSA county office employees have the tools to connect farmers, ranchers and anyone interested in agriculture with customized expertise on topics ranging including organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural educational courses, loans, grants and other financial assistance that can start, grow or benefit farming and ranching operations.

For more information about Bridges to Opportunity, please contact your local FSA County Office. To locate your FSA County Office, please see https://offices.usda.gov.

2017 Ag Outlook and Strategy Forums for Producers

Producers know their costs of producing crops and livestock continue to be high while market prices are going down. As profits decrease or there are losses, producers may have difficulty securing operating loans or have to take money from the savings they accumulated over the past few years of good prices. What are they to do?

Colorado State University Extension will host outlook and strategy forums throughout Colorado in January and February. Producers participating in the forums will learn about the outlook for commodity prices, production costs for each area, current Farm Service Agency programs, and various strategies for being profitable when prices are low.

Dr. Stephen Koontz, CSII agricultural marketing expert, will present current outlook information for commodities common

to the areas in which the forums will be conducted. Koontz is well known throughout Colorado and the U.S. for his knowledge of the domestic and world factors that drive market prices for such things as corn, wheat, cattle, oilseeds, and hay. He is also familiar with imports and exports.

Brent Young, Jeff Tranel, and Jenny Beiermann, CSU agricultural and business management economists, will discuss the costs and returns for various commodities. They will also explore strategies, including new crop insurance products, that a producer might use to change his production and marketing to better match his individual costs with forecasted market prices. USDA Farm Service Agency personnel will talk about the FSA programs available to producers in Colorado.

The Ag Outlook and Strategy Forums will be held in Sterling at the NJC campus on February7th, Burlington at the Community Center on February 8th and Limon at the Hub City Senior Center on February 15th. All programs will be held from 11:00 am to 2:30 pm and lunch will be provided. Two additional forums will be in Greeley at the Farm show on January 26th and one in Lamar on February 3rd as part of an all-day Ag Event.

Registration is required: To register online go to https://2017agoutlook.eventbrite.com by phone call (970) 522-7207 and ask for Rebecca.

Reasonable Accommodations: People with disabilities who require accommodations should contact Rebecca at (970) 522-7207.

2017 Governor's Forum will be February 22nd

Former U.S. Deputy Secretary of Agriculture Krysta Harden will provide one of the many highlights for the 2017 Governor's Forum on Colorado Agriculture, when she steps up to the podium to deliver a presentation on an agricultural "future built by collaboration." Harden, who currently serves as vice president of public policy and chief sustainability officer for DuPont, will share her perspective on the need for alliances with food, nutrition and conservation groups, as well as other non-traditional partners.

The Forum – taking place on Wednesday, Feb. 22, 2017, at the Renaissance Hotel in Denver – will also feature addresses from Colorado Gov. John Hickenlooper, Colorado State University President Tony Frank and Colorado Commissioner of Agriculture Don Brown, among many others.

Titled "Label It: Agriculture," this year's event will be an innovative and informative program, bringing together producers, consumers, experts and other ag stakeholders to peel back the polarizing rhetoric often found in today's society.

Stories can create divisive boundaries in agriculture between organic and conventional; urban and rural; large-scale and small-scale. The Forum will instead focus on the powerful history of collaboration and cooperation that has made agriculture in Colorado the state's second-largest driver of our economy. It will challenge and equip attendees to seek out novel alliances and ideas to benefit their own operations, the industry statewide, and beyond.

Along with Harden, another keynote presentation will be delivered by Dr. Gregory Graff, an associate professor at Colorado State University, whose research looks at the economics and public policy of technological innovation and technology-based entrepreneurship, and how they drive economic development and industry change. His presentation will focus on "The Value of Colorado Agriculture."

The day will also include breakout sessions covering CSU consumer surveys, pollinator health, conservation, National Western Stock Show developments, cooperatives, comparisons between global food production and local food, food safety, food labeling, food waste, and succession planning.

Look for future announcements as more details regarding the Forum agenda are finalized.

To learn more and get registered, go to www.governorsagforum.com. For those who need accommodations, information for booking rooms at the Renaissance Hotel in Denver (3801 Quebec St.) can also be made at the Governor's Forum website.

Important Dates to Remember and Interest Rate for January

Important FSA Dates to Remember:

- **NOW!!** File form CCC-633 EZ page 1 with FSA before losing beneficial interest to maintain Loan Deficiency Payment (LDP) eligibility. (To request payments, producers need to submit page 2 of the CCC-633EZ)
- January 9 March 15 Accepting BCAP Matching Payment Applications
- Jan. 15 Deadline to certify; Apples, Grapes and Peaches
- **Jan. 16** USDA Service Centers closed in observance of the Birthday of Martin Luther King Jr., a Federal Holiday
- Jan. 30 Deadline for 2016 Livestock Forage Disaster Program (LFP) Application for Payment and Supporting Documentation
- Jan. 30 Deadline for 2016 Livestock Indemnity Program (LIP) Application for Payment
- **Jan. 30** Deadline for Tree Assistance Program (TAP) Application for Payment and Supporting Documentation for Loss for 2016 (or 90 days after disaster event or loss was apparent)
- Feb 1 2017 NAP Application Closing Date for Onions, Scallions and Shallots
- Feb. 1 Final Availability Date for Loans and LDPs for Mohair, Unshorn Pelts (LDP only) and Wool
- Feb. 20 USDA Offices Closed in observance of Washington's Birthday (AKA President's Day) Federal Holiday
- March 15 2017 NAP Application Closing Date for Spring Crops (except spring seeded rye, speltz, triticale, wheat, and mixed forage)
- March 15 CRP Primary Nest Season (PNS) begins
- March 31 Final availability date for Loans and LDPs for Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat and Sesame Seed

For more information about FSA programs, contact your local FSA office.

Ongoing Notice of Loss Requirements:

- NAP: Submit Notice of Loss within 15 calendar days of the earlier of a natural disaster occurrence, the final planting date if planting is prevented by a natural disaster, the date that damage to the crop or loss of production becomes apparent; the normal harvest date.
- **ELAP:** Submit Notice of Loss the earlier of 30 calendar days of when the loss is apparent or Nov. 1st after the end of the program year in which the loss occurred.
- Livestock Indemnity Program (LIP): Submit Notice of Loss within 30 calendar days of when the loss is apparent

January FSA Interest Rates:

- Farm Operating: 3.75%
- Farm Ownership: 3.625%
- Farm Ownership Joint Financing: 2.50%
- Farm Ownership Down Payment: 1.50%
- Emergency Actual Loss: 3.375%
- Farm Storage Facility Loan 3 year term: 1.500%
- Farm Storage Facility Loan 5 year term: 1.8750%
- Farm Storage Facility Loan 7 year term: 2.250%
- Farm Storage Facility Loan 10 year term: 2.000%
- Farm Storage Facility Loan 12 year term: 2.500%

Commodity Loan: 1.875%

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